Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

STAT

STAT

Page Denied

Next 3 Page(s) In Document Denied

STAT

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

100TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPT. 100-93
Part 1

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1988

MAY 13, 1987.—Ordered to be printed

Mr. STOKES, from the Permanent Select Committee on Intelligence, submitted the following

REPORT

[To accompany H.R. 2112]

The Permanent Select Committee on Intelligence, to whom was referred the bill (H.R. 2112) to authorize appropriations for fiscal year 1988 for the intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass.

PURPOSE

The bill would:

(1) Authorize appropriations for fiscal year 1988 for (a) the intelligence and intelligence-related activities of the U.S. Government, (b) the Intelligence Community Staff and (c) the Central Intelligence Agency Retirement and Disability System;

(2) Authorize the personnel ceilings on September 30, 1988 for the intelligence and intelligence-related activities of the U.S. Government;

(3) Permit the Director of Central Intelligence to authorize personnel ceilings in fiscal year 1988 for any intelligence elements up to 2 percent above the authorized levels;

(4) Provide restrictions on support for military or paramilitary operations in Nicaragua;

(5) Provide retirement benefits for certain former spouses of CIA personnel;

(6) Provide a uniform allowance for certain civilian employees overseas of the Defense Intelligence Agency;

91-006

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

(7) Extend special separation authority applicable to personnel of the Defense Intelligence Agency and certain service intelligence elements; and

(8) Establish a Commission on Intelligence Personnel Systems.

Overall Perspective on the Intelligence Budget

COMMITTEE INTENT

The classified schedule of authorizations and the detailed explanation found in the classified annex to this public report contain a thorough discussion of all budget issues considered by the committee and are available to all Members of the House. The schedule of authorizations lists the dollar amounts and personnel ceilings for all the intelligence and intelligence-related programs authorized by the bill. These are directly incorporated into, and are integral to, the bill itself. It is the intent of the committee that all intelligence programs discussed in the annex to this report be conducted in accordance with the guidance and limitations contained therein.

SCOPE OF COMMITTEE REVIEW

The National Foreign Intelligence Program budget consists of resources of the following departments, agencies, and other elements of the Government: (1) the Central Intelligence Agency; (2) the Department of Defense; (3) the Defense Intelligence Agency; (4) the National Security Agency; (5) the Departments of the Army, Navy and Air Force; (6) the Department of State; (7) the Department of the Treasury; (8) the Department of Energy; (9) the Federal Bureau of Investigation; (10) the Drug Enforcement Administration; and (11) the Intelligence Community Staff of the Director of Central Intelligence.

The Department of Defense Tactical Intelligence and Related Activities (TIARA) are a diverse array of reconnaissance and target acquisition programs which are a functional part of the basic force structure and provide direct information support to military operations. TIARA, as defined by the Joint Chiefs of Staff and the Secretary of Defense, include those activities outside the Defense Intelligence program which respond to military commanders for operational support information as well as to national command, control, and intelligence requirements. These military intelligence activities also fall within the jurisdiction of the Committee on Armed Services.

During February and March 1987, the Program and Budget Authorization Subcommittee conducted a series of 12 hearings involving a total of more than 28 hours of testimony with witnesses from each major intelligence and intelligence-related program. These budget hearings resulted in written responses to many additional questions.

Overall Committee Findings and Recommendations

The administration requested real growth for fiscal year 1988 over the amount Congress appropriated for intelligence in fiscal year 1987. The committee was not convinced that the total amount

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

requested for fiscal year 1988 was fully warranted. The committee recommends a lower level of funding than that requested by the President. Some proposals have been recommended for deferral or deletion, while a few have been increased. The overall impact of the recommendation is a reduction in the request. The committee believes that the recommended authorization is a reasonable balance between needed capabilities and prudent cost.

It should be understood that the intelligence budget is largely a subset of the defense budget. Almost all of the intelligence budget is contained within the defense budget both for reasons of security and because the great majority of intelligence activities are conducted by elements of the Department of Defense. Thus, increases and decreases for intelligence are largely changes within the defense budget and are not direct changes to the federal budget as a whole. The committee has recommended reductions which are generally commensurate with those applied to defense as a whole but which recognize the high priority which the committee and the Congress places on intelligence.

Consideration of Amendments

An amendment was offered during consideration of the bill which would have had the effect of prohibiting funds available to the CIA, DoD or elements of the United States engaged in intelligence activities from being used to conduct or support military or paramilitary operations in Angola unless the Congress by joint resolution approved such activities. The amendment failed by a record vote of 7–8.

Section-by-Section Analysis of Bill as Reported

TITLE I—INTELLIGENCE AND INTELLIGENCE-RELATED ACTIVITIES

Sections 101–103

Section 101 lists the departments and agencies for whose intelligence and intelligence-related activities the bill authorizes appropriations for fiscal year 1988.

Section 102(a) makes clear that details of the committee's recommendations with respect to the amounts authorized to be appropriated for intelligence and intelligence-related activities and personnel ceilings covered under title I for fiscal year 1988 are contained in a classified schedule of authorizations. The details of the schedule are explained in the classified annex to this report. The schedule of authorizations is incorporated into the bill by this section.

Section 102(b) provides that the numbers of non-headquarters personnel of the Defense Intelligence Agency (DIA) and the Defense Mapping Agency (DMA), shall not be reduced, nor counted for purposes of determining how many Department of Defense personnel should be reduced, in accordance with the provisions of Section 601 of the Department of Defense Reorganization Act of 1986. Section 601 requires the Secretary of Defense to make certain reductions in both the headquarters and non-headquarters personnel of the Department of Defense based on the number of such personnel as of September 30, 1986. Section 102(b) would exempt DIA and DMA only from the non-headquarters cuts while holding other de-

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

fense agencies and field activities harmless from an increased share of personnel reductions required by Section 601. The committee achieved this result by reducing the base number of non-headquarters personnel against which Section 601 reductions of non-headquarters personnel must be taken.

The committee felt that Section 102(b) was necessary in light of the increase in the number of requirements for intelligence products levied upon both DIA and DMA in recent years. These increased demands have been either supported, or created, by the Congress and have led to the authorization of additional personnel at both agencies. It was the committee's reasoning that its support for more and better analysis and mapping products carried with it an obligation to provide the personnel to perform these tasks without regard to overall reductions in DoD manpower. The committee did feel, however, that some reduction in headquarters management was appropriate in both agencies.

Section 103 permits the Director of Central Intelligence to authorize the civilian personnel strength of any intelligence element to exceed the fiscal year 1988 authorized civilian personnel levels by no more than 2 percent if he determines that doing so is necessary for the performance of important intelligence functions. The Director must notify the two intelligence committees promptly of any exercise of authority under the section.

The committee emphasizes that the authority conveyed by Section 103 is not intended to permit the wholesale raising of personnel strength in each or any intelligence component. Rather, the section provides the Director of Central Intelligence with flexibility to adjust civilian personnel levels temporarily for contingencies and for overages caused by an imbalance between hiring of new employees and attrition of current employees from retirement, resignation, and so forth. The committee does not expect the Director of Central Intelligence to allow heads of intelligence components to plan to exceed personnel levels set in the schedule of authorizations except for the satisfaction of clearly identified hiring needs which are consistent with the authorization of personnel strengths in this bill. In no case is this authority to be used to provide for positions denied by this bill.

Section 104: Restriction on support for military or paramilitary operations in Nicaragua

Section 104 provides that funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated and expended during Fiscal Year 1988 to provide funds, materiel or other assistance to the Nicaraguan democratic resistance to support military or paramilitary operations in Nicaragua only as authorized pursuant to Section 101 and as specified in the Classified Schedule of Authorizations referred to in Section 102, Section 502 of the National Security Act of 1947, or any provision of law specifically providing such funds, materiel or assistance, such as is contained in the Military Construction Appropriations Act, 1987 (P.L. 99-500 and P.L. 99-518).

Section 104 continues in force the provisions of Section 106 of the Intelligence Authorization Act for Fiscal Year 1987 (P.L. 99-569).

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Its principal effect is to ensure that only funds specifically authorized by the bill or those specifically authorized by separate legislation approved by the House and Senate may be provided to assist the military or paramilitary operations of the Nicaraguan democratic resistance. Section 104, in effect, preserves the position that any military or paramilitary assistance provided to the Nicaraguan democratic resistance must be openly requested and approved by the Congress.

Section 104 would prohibit during fiscal year 1988, as does Section 106 during fiscal year 1987, the use of funds from the CIA's Reserve for Contingencies for assistance to the military or paramilitary operations of the Nicaraguan democratic resistance except to the extent approved by reprogramming or transfer approval action submitted to the appropriate committees of the Congress, which would include the intelligence and appropriations committees of the House and Senate. Of course, funds from any other accounts appropriated to the CIA, the Department of Defense, or any other agency or entity involved in intelligence activities could not be transferred to assist the military or paramilitary operations of the Nicaraguan democratic resistance without reprogramming or transfer approval by the same committees.

This result stems from the application of Section 502 of the National Security Act of 1947 which provides that funds may not be spent for an intelligence activity unless they have been specifically authorized and, in the case of the Reserve, provides that funds may be provided for a particular intelligence activity if the Director of Central Intelligence has given appropriate notice to the intelligence committees of the House and Senate. As noted above, funds authorized during fiscal year 1988 for the CIA's Reserve for Contingencies are not available for support to the military or paramilitary activities of the Nicaraguan democratic resistance. (Funds requested for the Reserve would ordinarily be available to fund any intelligence activity, other than one for which Congress has denied funds. The committee has denied use of the Reserve in fiscal year 1988 to assist the military or paramilitary operations of the Nicaraguan democratic resistance.)

Further, since assistance to the military or paramilitary operations of the Nicaraguan democratic resistance is a matter of significant Congressional interest, any transfer of funds from other accounts for this purpose would require a reprogramming or transfer approval action. Finally, Subsection 502(b) of the National Security Act of 1947 does not permit the funding of intelligence activities for which funds have been denied by Congress. Even if substantial changes in such proposed activities occur, the only avenue to secure reconsideration of such denial is through a reprogramming or transfer approval submitted to the appropriate committees.

As under current law, the provision of intelligence information and advice to the Nicaraguan democratic resistance is authorized by Section 104. These activities may continue as provided for in accordance with the joint explanatory statement of managers to accompany the conference report on H.R. 2419 of the 99th Congress

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

(H. Rept. 99-373, pages 14 through 17).[1] No other support to the military or paramilitary operations of the Nicaraguan democratic resistance is authorized by the bill.

The committee anticipates that, if both Houses approve separate legislation providing additional assistance to the Nicaraguan democratic resistance, regardless of whether or not such legislation is approved prior to or subsequent to enactment of the Fiscal Year 1988 Intelligence Authorization Act, the terms and conditions of such separate legislation will control the nature and extent of U.S. assistance to the military or paramilitary operations of the Nicaraguan democratic resistance to the extent they are inconsistent with Section 104. If there is no separate legislation or if such legislation were silent on matters covered by Section 104, then the provisions and conditions of Section 104 would control on matters involving any assistance to the military or paramilitary operations of the Nicaraguan democratic resistance.

Section 105: Unauthorized appropriations, fiscal year 1987

Section 105 deals with the subject of fiscal year 1987 appropriations for intelligence or intelligence-related activities contained in Department of Defense Appropriations Act, 1987 which were in excess of authorized levels or made in the absence of a specific authorization. Section 105(a) provides that two provisions of the Department of Defense Appropriations Act, 1987—Sections 9126 and 9133—which, among their other effects, waive the requirements of Section 502 of the National Security Act of 1947 with respect to all intelligence and intelligence-related activities during fiscal year 1987—should no longer apply with respect to such activities. Section 502 requires that all funds spent for intelligence or intelligence-related activities must have been authorized and appropriated for the purpose for which they are expended. The committee believes that these sections, when adopted by conferees to the fiscal year 1987 continuing resolution, were intended to provide appropriate waivers of Section 502 with respect to unauthorized appropriations in the continuing resolution. However, the effect of these sections is to waive Section 502 as to all appropriations for intelligence and intelligence-related activities in fiscal year 1987.

The committee is deeply concerned about both Sections 9126 and 9133. The committee believes that Section 502 is an essential element of the Congressional oversight of intelligence and intelligence-related activities. The unintended effect Sections 9126 and 9133 have of waiving the provisions of Section 502 as to all intelligence and intelligence-related activities was therefore of serious concern to the committee. The committee also determined, upon review of the unauthorized appropriations for fiscal year 1987 for intelligence and intelligence-related activities, that it had no quarrel with respect to all but two such activities.

Section 105(b) therefore authorizes all unauthorized appropriations in the Defense Appropriations Act, 1987 for intelligence and

[1] The phrase "participation in logistics activities integral to such operations" used at page 16 of H. Rept. 99-373 was the subject of correspondence between the chairmen of the House and Senate Intelligence Committees in December, 1985. Copies of that correspondence are included in an appendix to this report.

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

intelligence-related activities to which the committee has no objection. There are a number of such appropriations and the committee, in consultation with the Defense Appropriations Subcommittee, has concluded that they should be authorized.

The committee does oppose the obligation and expenditure of appropriations for two intelligence or intelligence-related activities contained in the Defense Appropriations Act, 1987. Section 105(c) provides that these sums may not be spent for the purposes for which they were originally appropriated but must be the subject of reprogramming and Congressional approval. In the case of both of these appropriations, the committee has worked closely with the Defense Appropriations Subcommittee and has reached the following agreement. The committee and the subcommittee agree that both appropriations should be reprogrammed. In the case of an aircraft reconnaissance system, which is an intelligence-related activity, the program should be restructured. In this case, members of the committee and the subcommittee have met with appropriate executive branch officials to express this concern and have received assurance from these officials that the program will be carefully reexamined. In the case of the other appropriation, which involves a technical collection system, the subcommittee and the committee are in full agreement that funds for this purpose should be reallocated to other related intelligence collection activities. In this case as well, the committee and subcommittee have had numerous discusions with executive branch officials and are in agreement with them on how the funds should be reprogrammed.

The committee is appreciative of the helpful and cooperative working relationship it has experienced with the Defense Appropriations Subcommittee in resolving the matter of fiscal year 1987 unauthorized appropriations for intelligence and intelligence-related activities.

TITLE II—INTELLIGENCE COMMUNITY STAFF

Sections 201-203

Section 201 authorizes the appropriation of $24,272,000 for fiscal year 1988 for the Intelligence Community Staff (IC Staff), which provides the Director of Central Intelligence with staff assistance to carry out his intelligence community responsibilities. The IC Staff supports the Director of Central Intelligence in the execution of his responsibilities to develop, review, and approve the National Foreign Intelligence Program budget, to evaluate the performance of foreign intelligence activities, and to develop issues, goals, and other required guidance for the intelligence community.

Sections 202 and 203 provide certain administrative authorities for the Intelligence Community Staff.

Section 202(a) authorizes 237 full-time personnel for the staff. The Intelligence Community Staff is composed of a permanent cadre, detailed community personnel, and contract hirees. The purpose of section 202(b) is to authorize this method of staffing and to require that detailed employees represent all appropriate elements of the Government, including those engaged in intelligence-related activities. Section 202(c) requires that personnel be detailed on a reimbursable basis except for temporary assignments. The Staff's au-

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

thorized size, in the opinion of the committee, is sufficient for the duties which the Staff performs. This provision is intended to insure that its ranks are not swelled by detailees, the personnel costs for whom are not reimbursed to their parent agency.

Section 203 provides the Director of Central Intelligence with authority to manage the activities and to pay the personnel of the Intelligence Community Staff because the Staff is not otherwise authorized by law. However, it is the committee's intent that in the case of detailed personnel, the Director's authority to discharge personnel shall only extend to discharging detailed personnel from service at the Intelligence Community Staff and not from Federal employment or military service.

TITLE III—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Section 301: Authorization of appropriations

Section 301 authorizes appropriations for the Central Intelligence Agency Retirement and Disability System (CIARDS) in the amount of $134,700,000 for fiscal year 1988. The Central Intelligence Agency Retirement Act of 1964 for Certain Employees (Public Law 88-643) authorized the establishment of CIARDS for a limited number of Agency employees and authorized the establishment and maintenance of a fund from which benefits would be paid to qualified beneficiaries.

The requested CIARDS funds will finance:

(1) Interest on the unfunded liability;

(2) The cost of annuities attributable to credit allowed for military service;

(3) Normal cost benefits not met by employee and employer contributions;

(4) The increase in unfunded liability resulting from liberalized benefits and Federal pay raises.

The benefits structure of CIARDS is essentially the same as for the Civil Service Retirement System with only minor exceptions. These exceptions are: (a) annuities are based upon a straight 2 percent of high 3-year average salary for each year of service, not exceeding 35; (b) under stipulated conditions a participant may retire with the consent of the Director, or at his direction be retired at age 50 with 20 years service, or a participant with 25 years of service may be retired by the Director regardless of age; and (c) retirement is mandatory at age 65 for personnel receiving compensation at the rate of GS-18 or above, and at age 60 for personnel receiving compensation at a rate less than GS-18, except that the Director may, in the public interest, extend service up to 5 years.

Annuities to beneficiaries are provided exclusively from the CIARDS fund maintained through: (a) contributions, currently at the rate of 7 percent, deducted from basic salaries of participants designated by the Director; (b) matching Agency (employer) contributions from the appropriation from which salaries are paid, based on the actual rate of contributions received from participants; (c) transfers from the Civil Service Retirement and Disability Fund representing employee and matching employer contributions for service of Agency employees prior to the date of their participating

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

in CIARDS, and contributions for service of integrated Agency employees included in CIARDS following termination of integrated status; (d) income on investments in U.S. Government securities; and (e) beginning in 1977, direct appropriations consistent with the provisions of Public Law 94-552.

TITLE IV—RETIREMENT AND DEATH IN SERVICE BENEFITS

Title IV of the bill provides retirement benefits for former spouses of CIA employees who were divorced prior to, or whose spouse retired from the CIA prior to, November 15, 1982, the effective date of the Central Intelligence Agency Spouses' Retirement Equity Act of 1982 (Title VI, P.L. 97-269). Title IV of the bill also provides a death in service benefit to CIA former spouses, effective November 15, 1982. The death-in-service benefit was inadvertently omitted from the 1982 Act and is contained in the Foreign Service Act of 1980 (Section 809(b), P.L. 96-465), upon which the 1982 Act was patterned.

The Central Intelligence Agency Spouses' Retirement Equity Act of 1982 granted certain former spouses of CIA employees a presumptive entitlement, subject to revision by spousal agreement or by State courts in divorce proceedings, to a pro rata share of the employees' retirement annuities, survivor benefits, and lump-sum disbursements. Former spouses qualified for the presumptive entitlement were those married to a CIA employee during at least ten years of the employee's creditable government service, at least five years of which must have been spent accompanying the CIA employee spouse outside the United States. The Congress provided the benefits to these spouses in recognition of their years of support of the unusual professional activities abroad of the CIA employee spouses, and in recognition of their own direct contributions to fulfillment of the mission of the CIA. Both their support to their CIA employee spouses and their direct contributions often prevented the former spouse from acquiring marketable job skills and pension rights and imposed familial pressures and tensions which often contributed to the breakdown of their marriages.

When the intelligence committee of the other body considered the legislation which became the CIA Spouses' Retirement Equity Act, it noted that, because the benefits of the Act were prospective only, spouses divorced prior to the effective date of the Act would not benefit, despite their important contribution. That committee noted that "* * * at some future date the Congress may wish to consider providing additional benefits to this group in recognition of their important service." (S. Rept. 97-484, p. 15)

Last year, in Section 302 of the Intelligence Authorization Act for Fiscal Year 1987 (P.L. 99-569), a survivor benefit, payable from the retirement fund, was provided on a retroactive basis to certain qualifying former spouses not covered by the 1982 Act. In addition, Section 303 of the Intelligence Authorization Act for Fiscal Year 1987 permitted those former spouses of CIA employees divorced prior to May 7, 1985 to enroll in a federal employee health benefits plan. (The Civil Service Retirement Spouse Equity Act of 1984—P.L. 98-615—authorized such enrollment for former spouses divorced after May 7, 1985.)

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

The committee believes that the time has arrived to fully recognize the contribution CIA former spouses have made to the intelligence mission of the United States Government and provide them the benefits they deserve.

Section 401 of the bill adds a new Section 225 to the Central Intelligence Agency Retirement Act of 1964 for Certain Employees. New Section 225 affords to former spouses who were divorced prior to November 15, 1982, or whose spouse retired from the CIA prior to November 15, 1982, a retirement benefit equal to 50 percent of the employee spouse's retirement annuity, or less, depending on the number of years of marriage during the creditable service of the employee. The new benefits would be paid by the retirement fund, not deducted from the employee's retirement annuity. Although entitlement to the benefit would be determined by, among other things, events occurring prior to November 15, 1982, no benefits would be payable with respect to any period before the effective date of Title IV.

To qualify for the benefit a former spouse must have been married to the CIA employee for at least 10 years, at least 5 years of which must have been spent together overseas, and cannot be less than 50 years of age or have remarried before age 55.

Section 402 of the bill amends Sections 221(o)(2), 232(b), and 304 of the CIA Retirement Act of 1964 for Certain Employees and Section 14(a) of the Central Intelligence Agency Act of 1949 to provide a death in service benefit to qualifying former spouses retroactive to November 15, 1982, the effective date of the Central Intelligence Agency Spouses' Retirement Equity Act of 1982. A provision affording such a benefit was inadvertently omitted from the 1982 Act, with the inequitable result being that, currently, a qualifying former spouse of a foreign service officer who dies before retirement is entitled to an annuity paid by the retirement fund, while a qualifying former spouse of a CIA officer who dies before retirement receives no such benefit. The benefit provided, substantially identical to that provided by Section 809(b) of the Foreign Service Act of 1980, would afford a survivor annuity, paid by the retirement fund, to the former spouse of a participant who dies in service with at least 18 months service creditable toward retirement. In the case of an employee who dies in service survived by a widow or widower and a former spouse, the designated benefit would be apportioned between the widow or widower and the former spouse. However, although the provision is retroactive to November 15, 1982, no benefit paid to a widow or widower between that date and the effective date of the bill shall be forfeited or refunded. The committee intends that if the circumstance should arise wherein, between the two dates referred to above, a widow or widower has received the full death in service benefit and there is now a qualifying former spouse, the latter shall receive the benefit to which he or she would have been entitled if the death in service provision for a former spouse had been included in the Central Intelligence Agency Spouses' Retirement Equity Act of 1982.

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

TITLE V—DOD INTELLIGENCE PERSONNEL IMPROVEMENTS

Section 501: DIA civilian uniform allowance adjustment

Section 501 would authorize the Secretary of Defense to pay $360 annually for the purchase of uniforms for Defense Intelligence Agency civilian personnel overseas employed by Defense Attaché Offices who are required to wear uniforms during the course of their employment. At present all such employees are foreign nationals who serve as chauffeurs assigned to Defense Attaché Offices. In situations where Department of State regulations permit a uniform allowance greater than $360 annually, the Secretary could provide covered DIA civilians a uniform allowance of like amount.

Section 502: One-year extension of DIA special termination authority

Section 502 of the bill extends for one more fiscal year the extraordinary authority of the Secretary of Defense to terminate a Defense Intelligence Agency civilian employee without regard to normal federal personnel termination procedures.

Section 501 of the Intelligence Authorization Act for Fiscal Year 1985 (P.L. 98-618) enacted Section 1604 of title 10, United States Code, relating to Defense Intelligence Agency civilian personnel management. Subsection 1604(e) granted the Secretary of Defense authority during fiscal years 1985 and 1986 to terminate the employment of any DIA civilian employee whenever he considered it to be in the interest of the United States and he determined that normally applicable federal employment termination procedures could not be invoked in a manner consistent with national security. Section 502 of the Intelligence Authorization Act for Fiscal Year 1987 extended that authority for fiscal year 1987. Section 502 of the bill would extend this authority for fiscal year 1988, a one-year extension instead of the permanent extension requested by the executive branch.

The DIA authority granted by Section 1604(e) has not been exercised since implemented by DIA regulations in 1986. The committee therefore has no basis on which to evaluate the use of the authority. The committee has concluded that extension of the termination authority is appropriate, but has decided not to consider extending this authority permanently until the Commission created by Section 601 of the bill has submitted its report.

Section 503: One-year extension of DoD military intelligence special termination authority

Subsection 1590(e)(1) of Title 10, as added by Section 504 of the Intelligence Authorization Act for Fiscal Year 1987, grants the Secretary of Defense special authority during fiscal year 1987 to terminate the employment of a military department civilian intelligence officer or employee whenever he considers it advisable in the interests of the United States and he determines that procedures prescribed in other termination statutes cannot be invoked in a manner consistent with national security. Such decisions by the Secretary are final and not subject to appeal or review outside the Department of Defense. The Secretary of Defense must notify the

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

intelligence committees of the Congress promptly when the special termination authority is exercised.

The authority granted by Section 1590(e)(1) is identical to that provided by Section 1604(e) of Title 10 concerning special termination authority for DIA. The authority of Section 1590(e)(1) likewise has not been exercised.

The committee has decided to extend for another fiscal year the authority of Section 1590(e)(1) but to defer consideration of permanent extension until the Commission created by Section 601 of the bill has submitted its report.

TITLE VI—STUDY OF INTELLIGENCE PERSONNEL SYSTEMS

Section 601 of the bill would create a Commission on Intelligence Personnel Systems. The Commission will be charged with reviewing, across the board, personnel recruitment, retention, management, and compensation programs of the U.S. intelligence community. The Commission is to review these personnel systems, compare them with those available to the great bulk of the Federal Civil Service and make recommendations to the Congress on the future development, restructuring or adjustment of those personnel systems affecting intelligence personnel.

The committee feels such a Commission is necessary for several reasons. Over the past nine years, the Congress, principally the intelligence committees, has been asked repeatedly to make adjustments in management and personnel programs for certain intelligence agencies. The justification for the requested changes has often been that intelligence personnel serve under circumstances so dissimilar to those of most civil servants that differences in compensation or management are required. The Congress has been sympathetic to many, but not all, such requests. Often it has asked how other intelligence personnel in similar circumstances would be treated and has sought to ensure equality of treatment for those serving under similar circumstances. Just as often, the executive branch had undertaken no similar effort.

The committee has come to realize that this annual adjustment of personnel and management programs remains unfocused beyond the interests of individual agencies. It recognizes significant differences in the legal authorities of different elements within the intelligence community. The committee believes that requests for piecemeal adjustments are likely to continue. It anticipates that the Central Intelligence Agency may propose sweeping changes in its personnel and management approach that, whatever their merits, would have the effect of further emphasizing the differences in these areas among various intelligence agencies and particularly between CIA and the Federal Civil Service. The committee wishes to forestall consideration of the restructuring of CIA's personnel system until it is better informed about how such changes will affect agencies besides CIA.

The committee has structured the make-up of the Commission to ensure that it is non-partisan, experienced in personnel and management matters, and brings the perspective of private citizens to the complex but important issues the Commission must weigh. The committee does not intend to exclude former government officials

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

from serving on the Commission, but instead feels that experience in government managerial positions would serve members of the Commission well in the pursuit of their review.

The committee has recommended the authorization of $500,000 for the Commission's operations during fiscal year 1987, to be drawn from funds authorized to be appropriated for the Intelligence Community Staff. In addition, Section 601(d) provides that all heads of elements of the intelligence community may assist the Commission in the conduct of its review by detailing personnel and other support. The committee believes that such support will be in the interest of all intelligence elements, since the intelligence community will benefit from the first comprehensive report and recommendations on the personnel and management systems under which their employees must perform their duties.

The committee urges appropriate intelligence officials to assist the Commission in its work, particularly including the granting of appropriate clearances and access to relevant records and officials. The committee also urges the President, the Speaker of the House and the Majority Leader of the Senate to expeditiously appoint the Members of the Commission so that they can devote the necessary time to the completion of their report and recommendations.

Committee Position

On April 23, 1987, the Permanent Select Committee on Intelligence, a quorum being present, approved the bill and by voice vote (with Mr. Brown voting no) ordered it favorably reported.

Oversight Findings

With respect to clause 2(l)(3)(A) of Rule XI of the House of Representatives, the committee has held extensive hearings regarding the nature and conduct of the intelligence and intelligence-related activities of the U.S. Government in considering this legislation. This review is outlined under the section of this report describing the scope of the committee review. A wide range of recommendations regarding intelligence programs and their management has been included within the classified annex of this report.

Fiscal Year Cost Projections

With respect to clause 2(l)(3)(B) of Rule XI of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this legislation does not provide new budget authority or tax expenditures. The committee has attempted pursuant to clause 7(a)(1) of Rule XIII of the Rules of the House of Representatives to ascertain the outlays which will occur in fiscal year 1988 and the 5 years following if these amounts are appropriated. These estimates are contained in the classified annex and are in accordance with those of the executive branch.

Congressional Budget Office Estimate

With respect to clause 2(l)(3)(C) of Rule XI of the House of Representatives, the committee has received no report from the Congressional Budget Office.

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

With respect to clause 2(l)(3)(D) of Rule XI of the House of Representatives, the committee has not received a report from the Committee on Government Operations pertaining to the subject of this bill.

INFLATION IMPACT STATEMENT

Pursuant to clause 2(l)(4) of Rule XI of the House of Representatives, the committee has attempted to determine the inflationary impact of the bill.

The committee finds no adequate method to identify the inflationary impact of the present legislation. Further, the bill does not provide specific budget authority but rather authorizations for appropriation. Hence, any inflationary impact would depend on the amounts actually appropriated and the strain that short supplies of materials, production capacity or other economic resources would place on industrial capacity.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

CENTERAL INTELLIGENCE AGENCY RETIREMENT ACT OF 1964

TITLE II—THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

* * * * * * *

PART C—COMPUTATION OF ANNUITIES

COMPUTATION OF ANNUITIES FOR OTHER THAN FORMER SPOUSES

SEC. 221. (a) * * *

* * * * * * *

(o) The director shall, on an annual basis—

(1) inform each participant of his or her right of election under subsections (f)(2) and (n); and

(2) to the maximum extent practicable, inform spouses or former spouses of participants or former participants of their rights under this section and sections 222, 223, *232(b),* and 234 (c), (d), and (e).

* * * * * * *

RETIREMENT BENEFITS FOR CERTAIN FORMER SPOUSES

SEC. 225. (a) Any individual who was a former spouse of a participant or a former participant on November 15, 1982, shall be entitled, to the extent of available appropriations, and except to the extent such former spouse is disqualified under subsection (b), to benefits—

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

(1) if married to the participant throughout the creditable service to the participant, equal to 50 percent of the benefits of the participant; or

(2) if not married to the participant throughout such creditable service, equal to that former spouse's pro rata share of 50 percent of such benefits

(b) A former spouse shall not be entitled to benefit under this section if—

(1) the former spouse remarries before age 55; or

(2) the former spouse is less than 50 years of age.

(c)(1) The entitlement of a former spouse to benefits under this section—

(A) shall commence on the later of—

(i) the day the participant upon whose service benefits are based becomes entitled to benefits under this title:

(ii) the first day of the month in which the divorce or annulment involved becomes final; or

(iii) such former spouse's 50th birthday; and

(B) shall terminate on the earlier of—

(i) the last day of the month before the former spouse dies or remarries before 55 years of age; or

(ii) the date the benefits of the participant terminate.

(2) Notwithstanding paragraph (1), in the case of any former spouse of a disability annuitant—

(A) the benefits of the former spouse shall commence on the date the participant would qualify on the basis of his or her creditable service for benefits under this title (other than a disability annuity) or the date the disability annuity begins, whichever is later, and

(B) the amount of benefits of the former spouse shall be calculated on the basis of benefits for which the participant would otherwise so qualify.

(3) Benefits under this section shall be treated the same as an annuity under section 222(a)(6) for purposes of section 221(g)(2) or any comparable provision of law.

(4)(A) Benefits under this section shall not be payable unless appropriate written application is provided to the Director, complete with any supporting documentation which the Director may by regulation require, within 30 months after the effective date of this section. The Director may waive the 30-month application requirement under this subparagraph in any case in which the Director determines that the circumstances so warrant.

(B) Upon approval of an application as provided under subparagraph (A), the appropriate benefits shall be payable to the former spouse with respect to all periods before such approval during which the former spouse was entitled to such benefits under this section, but in no event shall benefits be payable under this section with respect to any period before the effective date of this section.

(d) The Director shall—

(1) as soon as possible, but not later than 60 days after the effective date of this section, issue such regulations as may be necessary to carry out this section; and

(2) to the maximum extent practicable, and as soon as possible, inform each individual who was a former spouse of a par-

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

ticipant or a former participant on November 15, 1982, of any rights which such individual may have under this section.

(e) Nothing in this section shall be construed to impair, reduce, or otherwise affect the annuity or the entitlement to an annuity of a participant or former participant under this title.

PART D—BENEFITS ACCRUING TO CERTAIN PARTICIPANTS

* * * * * * *

DEATH IN SERVICE

SEC. 232. (a) * * *

(b) *(1)* If a participant who has at least eighteen months of service credit toward retirement under the system, excluding military or naval service that is credited in accordance with the provisions of section 251 or 252(a)(2), dies before separation or retirement from the Agency and is survived by a widow or a widower, [as defined in section 204, such widow or widower shall be entitled to an annuity equal to 55 per centum of the annuity computed in accordance with the provisions of section 221(a) except that the computation of the annuity of the participant under such section shall be at least the smaller of (i) 40 per centum of the participant's average basic salary, or (ii) the sum obtained under such section after increasing the participant's service of the type last performed by the difference between his age at the time of death and age sixty. The annuity of such widow or widower shall commence on the date following death of the participant and shall terminate upon death or upon remarriage prior to attaining age sixty of the widow or dependent widower (subject to the payment and restoration provisions of section 221(g)).] *or by a former spouse qualifying for a survivor annuity under section 222(b), such widow or widower shall be entitled to an annuity equal to 55 percent of the annuity computed in accordance with paragraphs (2) and (3) of this subsection and section 221(a) and any such surviving former spouse shall be entitled to an annuity computed in accordance with section 222(b) and paragraph (2) of this subsection as if the participant died after being entitled to an annuity under this Act. The annuity of such widow, widower, or former spouse shall commence on the date following death of the participant and shall terminate upon death or remarriage prior to attaining age sixty of the widow, widower, or former spouse (subject to the payment and restoration provisions of sections 221(g) and 222(b)(3)).*

(2) The annuity payable under paragraph (1) shall be computed in accordance with section 221(a), except that the computation of the annuity of the participant under such section shall be at least the smaller of (A) 40 percent of the participant's average basic salary, or (B) the sum obtained under such section after increasing the participant's service of the type last performed by the difference between the participant's age at the time of death and age sixty.

(3) Notwithstanding paragraph (1), if the participant had a former spouse qualifying for an annuity under section 222(b), the annuity of a widow or widower under this section shall be subject to the limitation of section 221(b)(3)(B), and the annuity of a former

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

spouse under this section shall be subject to the limitation of section 222(b)(4)(B).

* * * * * * *

TITLE III—PARTICIPATION IN THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM

* * * * * * *

SPECIAL RULES FOR FORMER SPOUSES

SEC. 304. (a) * * *

(b) Section 221(b)(1)(C) of this Act shall apply to survivor annuity under subsection (c)(2) *and (3)* of this section.

(c) Except as otherwise provided in this section, the following provisions of title II of this Act shall apply in the case of an officer or employee of the Agency who is entitled to receive an annuity under suchapter II, III, or V of chapter 84 of title 5, United States Code, in the same manner as such provisions apply in the case of an officer or employee of the Agency under title II:

(1) Section 222, except that subsections (b) and (c) of such section shall be subject to a waiver under subsection (b) of this section.

(2) Subsections (a), (b)(1), and (b)(3) of section 223 and the first sentence of subsection (c) of such section.

(3) Section 232(b).:

[(3)] *(4)* Subsections (c) and (d) of section 234 (in the case of any lump-sum payment under section 8424(a) of title 5, United States Code, and any payment under subsection (b)(3), (b)(4), (c)(3), (c)(4), or (d) of section 8433 of such title).

[(4)] *(5)* Section 263(b).

* * * * * * *

SECTION 14 OF THE CENTRAL INTELLIGENCE AGENCY ACT OF 1949

RETIREMENT EQUITY FOR SPOUSES OF CERTAIN EMPLOYEES

SEC. 14. (a) The provisions of sections 204, 221(b) (1)–(3), 221(f), 221(g)(2), 221(l), 221(m), 221(n), 221(o), 222, 223, 224, *225, 232(b),* 234(c), 234(d), 234(e), and 263(b) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note) establishing certain requirements, limitations, rights, entitlements, and benefits relating to retirement annuities, survivor benefits, and lump-sum payments for a spouse or former spouse of an Agency employee who is a participant in the Central Intelligence Agency Retirement and Disability System shall apply in the same manner and to the same extent in the case of an Agency employee who is a participant in the Civil Service Retirement and Disability System.

(b) The Director of the Office of Personnel Management, in consultation with the Director of Central Intelligence, shall prescribe such regulations as may be necessary to implement the provisions of this section.

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

TITLE 10, UNITED STATES CODE

CHAPTER 81—CIVILIAN EMPLOYEES

* * * * * * *

§ 1590. Management of civilian intelligence personnel of the military departments

(a) * * *

* * * * * * *

(e)(1) Notwithstanding any other provision of law, the Secretary of Defense may, during fiscal year [1987,] *1988,* terminate the employment of any civilian intelligence officer or employee of a military department whenever he considers that action to be in the interests of the United States and he determines that the procedures prescribed in other provisions of law that authorize the termination of the employment of such officer or employee cannot be invoked in a manner consistent with the national security. The decisions of the Secretary under this paragraph are final and may not be appealed or reviewed outside the Department of Defense. The Secretary of Defense shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever this termination authority is exercised.

* * * * * * *

CHAPTER 83—DEFENSE INTELLIGENCE AGENCY CIVILIAN PERSONNEL

Sec.
1601. Defense Intelligence Senior Executive Service.
1602. Defense Intelligence Agency merit pay system.
1603. Limit on pay.
1604. Civilian personnel management.
1605. Benefits for certain employees of the Defense Intelligence Agency.
Sec. 1606. Civilian Uniform Allowance:

* * * * * * *

§ 1604. Civilian personnel management

(a) * * *

* * * * * * *

(e)(1) Notwithstanding any other provision of law, the Secretary of Defense may[, during fiscal years 1986 and 1987,], *during fiscal year 1988,* terminate the employment of any civilian officer or employee of the Defense Intelligence Agency whenever he considers that action to be in the interests of the United States and he determines that the procedures prescribed in other provisions of law that authorize the termination of the employment of such officer or employees cannot be invoked in a manner consistent with the national security. The decisions of the Secretary under this paragraph are final and may not be appealed or reviewed outside the Department of Defense. The Secretary of Defense shall promptly notify the Permanent Select Committee on Intelligence of the

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

House of Representatives and the Select Committee on Intelligence of the Senate whenever this termination authority is exercised.

* * * * * * *

§ 1606. Civilian Uniform Allowance

Notwithstanding the provisions of subsection 5901(a) of title 5, United States Code, of funds appropriated annually for the Defense Intelligence Agency, the Secretary of Defense is authorized to pay a uniform allowance for civilian employees of the Defense Attache Offices outside the United States who are required by Agency regulations to wear a prescribed uniform in performance of official duties an amount not to exceed $360 annually, or such amount as is provided for similar employees of the Department of State, whichever is greater.

* * * * * * *

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

APPENDIX

Letter from the Honorable Lee H. Hamilton, Chairman, Permanent Select Committee on Intelligence, to Honorable William J. Casey, Director of Central Intelligence, dated December 4, 1985 (A)

Letter from the Honorable Dave Durenberger, Chairman, Senate Select Committee on Intelligence, to the Honorable Lee H. Hamilton, Chairman, Permanent Select Committee on Intelligence, dated December 5, 1985 (B)

Letter from the Honorable Lee H. Hamilton, Chairman, Permanent Select Committee on Intelligence, to the Honorable Dave Durenberger, Chairman, Senate Select Committee on Intelligence, dated December 9, 1985 (C)

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

APPENDIX A

U.S. HOUSE OF REPRESENTATIVES,
PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, December 4, 1985.

Hon. WILLIAM J. CASEY,
Director of Central Intelligence,
Washington, DC.

DEAR MR. CASEY: The Joint Explanatory Statement that accompanies the conference report on H.R. 2419 says the following:

> Section 105 does not permit intelligence agencies to engage in activities, including training other than the communications training provided for pursuant to Section 105, that amount to participation in the planning or execution of military or paramilitary operations in Nicaragua by the Nicaraguan democratic resistance, or to participation in logistics activities integral to such operations.

This sentence might suggest to some that all the conferees sought to prohibit with respect to logistics activities was physical participation therein. Senator Durenberger's statement to the Senate suggested that "advice on matters such as effective delivery and distribution of material" could be provided. As my own colloquy with Congressman Bonior on the House floor would indicate, however, the correct reading is that the phrase "participation in logistics activities" includes planning or providing advice. The conferees did not intend to prohibit military advice on all aspects of paramilitary or military operations except logistics operations. As I said in conference and while explaining the conference report to the House, intelligence personnel are not to act as military advisors to the contras. This certainly includes advising them on logistical operations upon which military or paramilitary operations depend for their effectiveness. That is the agreement that was struck by the conferees with regard to the category of military advice.

With best wishes, I am
Sincerely yours,

LEE H. HAMILTON, *Chairman.*

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

APPENDIX B

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, December 5, 1985.

LEE H. HAMILTON,
Chairman, House of Representatives, Permanent Select Committee on Intelligence, Washington, DC.

DEAR LEE: Thanks for sending me a copy of your letter to the DCI of December 4, 1985, concerning the conference agreement on Section 105 of the FY 1986 Intelligence Authorization Act.

I really do not think we have a problem with respect to interpretation of the permissable bounds of intelligence advice to the Nicaraguan democratic resistance. I certainly would agree with you that advice on logistics activities integral to the effectiveness of particular military or paramilitary operations is precluded if it would "amount to" participation in such activities, even if there is no *physical* participation. At the same time, I'm sure you would agree that the conferees did not mean to place the entire subject of logistics off limits. We certainly would, for example, want to encourage advice on logistics related to the effective distribution of humanitarian and communications assistance.

Thus, it seems to me that the crucial distinction is not between the oral and the physical, but rather between general logistical advice (or logistical advice related to humanitarian or communication assistance) and advice that amounts to participation in logistics activities integral to military or paramilitary operations. The latter is what we clearly meant to prohibit and what our oversight must prevent.

Sincerely,

DAVE DURENBERGER, *Chairman.*

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2

APPENDIX C

U.S. HOUSE OF REPRESENTATIVES,
PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, December 9, 1985.

Hon. DAVE DURENBERGER,
Chairman, Senate Select Committee on Intelligence,
Washington, DC.

DEAR DAVE: Thanks for your letter of December 5 concerning logistical advice to the contras.

I do agree with you that the Conferees on the FY 1986 Intelligence Authorization Act did not put the entire subject of logistics off limits. However, we did constrain CIA activities in significant ways. Further, the Supplemental Appropriations Act for FY 1985 also constrains the CIA. The Agency is not to participate in any way in the distribution of humanitarian assistance. The Agency may only provide advice and support to other U.S. government agencies responsible for the distribution of the assistance. Thus, the Act makes clear direct CIA logistics advice on the effective distribution of humanitarian assistance is not appropriate. The Conference Report does not amend the Supplemental Appropriations Act.

The other problem, as I see it, is that logistical advice on how to distribute food inside Nicaragua is as useful for the distribution of ammunition as it is for food. Both items are essential for the conduct of military and paramilitary operations in Nicaragua. Thus, advice in this area can well be seen as military advice to the contras. It would ill serve the Agency to become embroiled in controversy at this juncture regarding a matter about which Congress has expressed such repeated reservations.

With best wishes, I am

Sincerely yours,

LEE H. HAMILTON, *Chairman.*

○

Declassified in Part - Sanitized Copy Approved for Release 2012/12/11 : CIA-RDP90M00004R000900140002-2